

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -MAY 4, 2010- -7:00 P.M.

Mayor Johnson convened the meeting at 7:12 p.m.

ROLL CALL - Present: Councilmembers deHaan, Gilmore, Matarrese, Tam and Mayor Johnson – 5.
Absent: None.

AGENDA CHANGES

(10-187) Mayor Johnson announced that the recommendation to approve First Amendment to Interim City Manager Contract [paragraph no. 10-198] would be continued to a later date.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

(10-188) Proclamation Declaring May 7 – 16, 2010 as Affordable Housing Week.

Mayor Johnson read and presented the proclamation to Arthur Kurash, Housing Commission, and Gary Struthers; Mr. Struthers provided handouts.

Mr. Kurash thanked Council for the proclamation and support; encouraged Council to continue the work for affordable housing.

(10-189) Proclamation Declaring May 9 – 15, 2010 as National Police Week.

Mayor Johnson read and presented the proclamation to the Police Chief.

The Police Chief thanked Council for the proclamation.

(10-190) Proclamation Declaring May 13 as Alameda Bike to Work Day, 2010.

Mayor Johnson read and presented the proclamation to Jeff Cambra and Joyce Mercado, Bike Alameda.

Mr. Cambra thanked Council for the proclamation; stated Bike Alameda has created a series of events to encourage cycling as means of every day transportation; on May 8th, Alameda Town Centre is teaming with Alameda Bicycle to gear up for Bike to Work Day; on May 13th, there will be six energizer stations for checking in and receiving gifts; the right lanes of the Miller-Sweeny [Fruitvale] Bridge will be closed from 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. in order to create designated bike lanes for traveling to the Fruitvale BART Station; outlined various events throughout the month.

(10-191) Proclamation Declaring May 16 – 22, 2010 as Hepatitis B Awareness Week.

Mayor Johnson read and presented the proclamation to Matthew Wang, Piedmont High

School Class of 2012.

Mr. Wang thanked Council for the proclamation.

(10-192) Mayor Johnson announced that a Alameda Reuse and Redevelopment Authority meeting will be held at the Mastick Senior Center on Thursday, May 6th, at 7:30 p.m.

(10-193) Presentation by the Alameda County Congestion Management Agency on a Proposed New Alameda County Transportation Commission Joint Powers Agreement, and Update on the Development of the Countywide Transportation Plan, Funding Strategies, and Opportunities.

Tess Lengyel, Alameda County Transportation Improvement Authority, and Beth Walucas, Alameda County Congestions Management Agency, provided a handout and gave a Power Point presentation.

Councilmember Gilmore inquired what would be the anticipated cost savings by merging agencies and what would be the anticipated start up costs, to which Ms. Lengyel responded approximately half a million per year [anticipated cost savings].

Councilmember Matarrese stated the money would not be saved but would be put in the ground [in projects].

Ms. Walucas stated the money would go to transportation investments.

Councilmember Matarrese stated an added benefit would be establishing efficiencies for getting projects done more rapidly.

Ms. Walucas stated two managers would not need to work on project delivery; there would be efficiencies in moving projects forward in terms of staffing and resources.

Ms. Lengyel stated start-up costs are anticipated to be approximately \$680,000 to \$820,000 over three years.

Vice Mayor deHaan inquired whether there would be short-term funding before the merger.

Ms. Lengyel responded in the affirmative; stated SB 83 is in the State legislative process but is separate from the merger.

Councilmember Tam inquired whether the short-term funding opportunity and \$11 million expected to be generated through the \$10 DMV fee is based on the number of cars in Alameda County; further inquired how the fund would be protected if administered by the State.

Ms. Walucas responded the State would collect the fee and would be paid a small administration fee to write a check.

In response to Councilmember Tam's inquiry, Ms. Walucas responded a fee would require a majority vote.

Councilmember Tam stated the Council has had some experience with the Measure WW Park bond; having a clear understanding of the criteria is important at the outset; bus shelter funding and opportunities to partner with non-profit groups on different programs are not clear.

Ms. Walucas stated the key is that any project or program would need to benefit people paying the fee.

CONSENT CALENDAR

Mayor Johnson announced that the recommendation to Authorize Call for Bids for Legal Advertising [paragraph no. 10-197], the Resolution Supporting the Alameda Unified School District's Measure E [paragraph no. 10-204], and the Resolution Supporting HR 5061 [paragraph no. 10-205] were removed from the Consent Calendar for discussion.

Councilmember Matarrese moved approval of the remainder of the Consent Calendar.

Councilmember Tam seconded the motion, which carried by unanimous voice vote – 5.

(*10-194) Minutes of the Regular City Council Meeting held on April 20, 2010. Approved.

(*10-195) Ratified bills in the amount of \$3,002,704.70.

(*10-196) Recommendation to Set June 1, 2010, for a Hearing to Consider Collection of Delinquent Business License Fees Via the Property Tax Bills. Accepted.

(10-197) Recommendation to Authorize Call for Bids for Legal Advertising.

Councilmember Tam inquired how the City determines whether newspapers or other media vehicles are eligible to bid.

The City Clerk responded the City Charter requires that a newspaper be adjudicated in the City; stated proof is provided at the time the bid is submitted.

Councilmember Tam inquired whether a specific readership or subscribership is needed, to which the City Clerk responded no percentage is outlined in the Charter.

Mayor Johnson stated the staff report notes the newspaper has to be one of general circulation within the City.

The Assistant City Attorney stated a third party verifies circulation of the paper and readership or subscribership; the process is fairly formal.

Councilmember Tam inquired what is the process for adjudication, to which the Assistant City Attorney responded that she would look into the matter.

Councilmember Gilmore inquired whether costs would be considered when adjudicated newspapers compete.

The City Clerk responded in the affirmative; stated the lowest bidder is awarded the Contract; in the past, the Alameda Times Star and the Journal competed; the Journal has been the only newspaper to submit a bid over the past few years.

Councilmember Tam moved approval of the staff recommendation.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote – 5.

(10-198) Recommendation to Approve First Amendment to Interim City Manager Contract. Continued to May 18, 2010. Not heard.

(*10-199) Recommendation to Adopt Plans and Specifications and Authorize a Call for Bids for Furnishings for the Neighborhood Library Improvement Project, No. P.W. 10-09-29. Accepted.

(*10-200) Recommendation to Adopt Plans and Specifications and Authorize Call for Bids for the Resurfacing of Certain Streets, Phase 29, No. P.W. 02-09-06. Accepted.

(*10-201) Recommendation to Award a First Amendment to the Contract with Harris & Associates in the Amount of \$100,000, Including Contingencies, for Engineering Construction Management Services for the Webster Street/Wilver “Willie” Stargell Avenue Intersection Project, No. P.W. 10-08-26. Accepted.

(*10-202) Recommendation to Accept the Work of MDF Pipelines for the Central Avenue Sewer Rehabilitation, Pacific Avenue to Third Street, No. P.W. 05-09-13. Accepted.

(*10-203) Resolution No. 14437, “Approving the Joint Powers Agreement Creating the Alameda County Transportation Commission and Approving an Amendment to the Joint Powers Agreement for the Alameda County Congestion Management Agency, and Authorize the Interim City Manager to Execute All Necessary Agreements.” Adopted.

(10-204) Resolution No. 14438, “Supporting the Alameda Unified School District’s Measure E Parcel Tax.” Adopted.

The Deputy City Manager – Administrative Services gave a brief presentation.

Mayor Johnson inquired whether Alameda has ever had an all mail in ballot, to which the City Clerk responded that she is not aware of any and if so, it would have been prior to 1997.

Councilmember Matarrese requested a comparison between Measure E and the existing measures; stated that he understands Measure E would be a replacement tax.

The Deputy City Manager – Administrative Services responded Measure E is a replacement measure for Measure A and H; stated that she does not have the figures for the two existing parcels taxes; businesses are paying \$0.15 per square foot of lot but would be paying \$0.13 per square foot of lot under Measure E.

Councilmember Matarrese stated residential property owners would pay more and business property owners would pay less; inquired whether the \$120 Measure A tax would go away, to which the Deputy City Manager – Administrative Services responded in the affirmative.

Councilmember Matarrese requested that figures be confirmed.

Proponents (In Favor of Resolution): Patricia Sanders, Alameda Education Association; Mark Irons, Alameda; Susan Davis, Alameda; David Teeters, Alameda; Doug Biggs, Alameda; David Hart, Alameda; and John Knox White, APLUS.

Opponents (Not in Favor of Resolution): Edward Hirshberg, Committee Against Measure E; David Howard, Alameda; Kathy Moehring, West Alameda Business Association; Regina Beck, Alameda.

The following speakers did not wish to speak, but want to go on record opposed to the resolution: Michelle Kelly, Alameda; Michael Kelley, Alameda; and Pauline Kelley, Alameda.

Ms. Sanders clarified that the Measure A tax is \$189 and would be replaced; stated Measure H is a flat \$120 per parcel rate; the total residential rate is \$309.

Vice Mayor deHaan inquired why the School District is placing an all mail in ballot on the June primary election and what the cost would be.

Mr. Knox White responded the School Board wants to have enough time to have multiple community meetings; stated no additional costs will be incurred for having an all mail ballot.

Vice Mayor deHaan stated costs for the Measure B election was approximately \$50,000 [if consolidated] versus a special election costing approximately \$280,000; putting the Measure on a regular ballot would be approximately \$50,000; an all mail ballot would be

more than \$280,000.

The City Clerk stated an all mail ballot would cost less because poll workers would not be needed.

In response to Vice Mayor deHaan's inquiry, the City Clerk stated in the past, cost estimates have been \$1.50 for an all mail ballot; a consolidated election can run anywhere in the gamete of \$0.75 to \$1.50 per voter.

Mayor Johnson inquired whether Mr. Knox White's understanding is that an all mail ballot is less expensive than a special election, to which Mr. Knox White responded in the affirmative.

Vice Mayor deHaan inquired when Measure A sunsets, to which Mr. Knox White responded in two years.

Vice Mayor deHaan inquired when Measure H sunsets, to which Mr. Knox White responded in two years.

Vice Mayor deHaan inquired what would be the immediate shortfall [to the School District], to which Mr. Knox White responded \$7 million.

Vice Mayor deHaan stated the community is concerned that the City has a ballot measure every three to four years; inquired whether Measure E would be a cure all.

Mr. Knox White responded the School District went through great lengths to put something on the ballot that would cover needs for the next eight years.

Vice Mayor deHaan stated that he feels erosion will occur quicker.

Mr. Knox White stated the economy could recover and some past historical problems could be offset.

Vice Mayor deHaan stated the flatness in the budget might last another three to five years.

Mayor Johnson inquired whether the \$120 tax would go away, to which Mr. Knox White responded in the affirmative.

Mayor Johnson stated the new [commercial] tax would be \$0.13 per square foot; all commercial property tax would be reduced; there is no cure all; people running the State are devastating local government, school districts, and County government; the School District is not at fault; consolidating schools would not be enough to balance the budget.

Councilmember Gilmore moved adoption of the resolution, with the realization that the

parcel tax will be difficult for everyone; stated California children received the benefit of a better school system than what children might receive in the future if steps are not taken to support the system.

Councilmember Tam seconded the motion.

Under discussion, Councilmember Matarrese stated the City depends on a good school system for property values; Measure E will not solve the problem but will buy time; League of California Cities activities should be placed on an agenda; cities have to ensure that the State follows up on the promise that every child in California gets an equal shot at education; cities that have the ability to raise taxes are surviving, others are not; time is needed.

Vice Mayor deHaan stated the consequences of losing good quality schools is immense; that he has a vested interest because two family members are school teachers; Measure E will tie over the School District for a short time; that he concurs with Councilmember Matarrese regarding needing a permanent fix; the State is juggling books; everyone is getting hit; that he will support Measure E.

On the call for the question, the motion carried by unanimous voice vote – 5.

Mayor Johnson requested staff to explain whether redevelopment takes money from schools.

The Interim City Manager stated staff would come back to Council the first meeting in June to explain how pass through agreements work.

Councilmember Matarrese inquired whether or not redevelopment takes money from schools.

The Interim City Manager stated an agency is required to negotiate a pass through agreement when redevelopment agencies and project areas are established and formed; depending on the project area and age, individual pass through agreements might not be negotiated; State legislation has changed and requires that school districts be made whole; the fundamental premise in redevelopment law is to have each agency empower itself to negotiate a pass through agreement with whomever is impacted; post 1990, school districts were made whole; that she would provide a customized view of project areas.

Councilmember Gilmore requested that a School District or School Board representative be present.

The Interim City Manager stated the School District can use money from the City for certain type of things; that she will have someone from the School District explain the process.

Councilmember Gilmore stated money received from the City affects money that the School District receives from the State.

Councilmember Tam inquired whether funds generated by redevelopment areas for schools would not be available if redevelopment areas were not there.

The Interim City Manager responded in the negative; stated many pass through agreements make the School District whole.

Councilmember Tam inquired whether the Housing Fund developed for Island High School would not have occurred had there not been tax revenue generated from a redevelopment area.

The Interim City Manager responded in the affirmative; stated the agreement is unique; a certain percentage was set aside for a specific purpose; the money would not be available to the School District under the old formula; information would be provided to Council as soon as possible.

Vice Mayor deHaan stated California is scheduled to lose 22,000 teachers; Illinois will lose 15,000 teachers; New York will lose 17,000 teachers; the crises is national.

(10-205) Resolution No. 14439, "Supporting HR 5061, the "San Francisco Bay Improvement Act of 2010." Adopted.

The Deputy City Manager – Administrative Services gave a brief presentation.

Mayor Johnson inquired when the process would be complete.

The Deputy City Manager – Administrative Services responded Congress has a very full agenda; stated the legislation would probably not be completed with this Congress.

Mayor Johnson inquired whether it is early enough in the process to make suggestions regarding use of funds.

The Deputy City Manager – Administrative Services responded funding categories are being developed; funding would be done through grants.

Mayor Johnson stated the issue should be reconsidered; funding for the purchase of cargo salt flats in Redwood City should be considered; purchase of salt flat lands should be a priority; preventing more bay fill is important.

The Deputy City Manager – Administrative Services stated that she would send a letter to Representative Speier.

Councilmember Matarrese stated the Environmental Protection Agency (EPA) is the lead agency for Alameda Point cleanup; thinking big is important because Site 1 and 2

are the least characterized, most contaminated sites residing on federal land and are not encumbered by transfer and conveyance; other closed bases, such as Hamilton Air Force Base, are returning runways to wetlands; enough money has been allocated to clean up Sites 1 and 2; returning runways to wetlands would put a lot of people back to work, would put a buffer on the western edge of the former Base, and would clean up a hazardous waste site; a case needs to be made; two acres should have to be purchased for every acre that Redwood City fills, if building is done on salt flats; trade credits could be done.

Councilmember Gilmore inquired whether a comprehensive study has been done in terms of what type of federal funding is potentially available for Alameda Point for clean up, infrastructure, or historic preservation.

The Deputy City Manager – Administrative Services responded Holland and Knight is the City's lobbying firm and is constantly reviewing the matter; stated that she is not sure whether a comprehensive study has been done.

Councilmember Gilmore stated the issue should be placed on a future agenda; that she does not want Alameda to miss out on available federal funding; a list is needed in order to think creatively on how to use funds.

Councilmember Tam stated opportunities needs to be identified and the City needs to work in concert with the Navy sooner rather than later.

Vice Mayor deHaan stated the Alameda Point fish and wildlife refuge is contaminated, has a price tag of \$1 million, and is not an active remediation site; the site has an immediate requirement to become wetlands.

Councilmember Matarrese moved adoption of the resolution with direction to follow up with specifics regarding what can happen in Alameda after Thursday night's meeting with the EPA and bring the matter back to direct lobbyists what to lobby for to get whatever City is needed to get potential money; that he wants to see something meaningful; Sites 1 and 2 are a case of where big federal dollars could be spent.

Mayor Johnson stated the intent of the legislation is to make money available and then jurisdictions can apply for the money for projects; that she suggests that the legislation should specifically list purchasing the cargo salt flats in Redwood City for restoration to wetlands.

The Deputy City Manager – Administrative Services stated a letter could be sent to Representative Speier giving examples of worthy projects in Alameda and Redwood City.

Mayor Johnson stated the issue is regional; filling the Bay should not be happening any more.

The Deputy City Manager – Administrative Services stated the letter could serve many masters.

Councilmember Gilmore seconded the motion.

Under discussion, Mayor Johnson inquired whether the letter should be included in the motion.

Councilmember Tam responded the Deputy City Manager – Administrative Services is very capable of correlating legislation; stated Senator Feinstein has been very engaged and active in the cargo acquisition issue and federal funding in the past; that she would defer to Senator Feinstein on the matter.

The Deputy City Manager – Administrative Services stated Senator Feinstein was able to get a lot of money for the Milpitas/San Jose salt flats.

Mayor Johnson requested that the Deputy City Manager – Administrative Services draft a letter.

Councilmember Gilmore stated review of other federal funds for the Base needs to come back.

On the call for the question, the motion carried by unanimous voice vote – 5.

CITY MANAGER COMMUNICATIONS

(10-206) Housing Authority Reorganization

The Housing Authority Executive Director gave a Power Point presentation.

Mayor Johnson stated that she prefers the current structure of the Council sitting as the Housing Authority Board; Alameda has a good Housing Authority because of the close relationship between the City and the Housing Authority.

Vice Mayor deHaan stated the only new thing is moving some work from the redevelopment side; that he is not sure about streamlining.

The Housing Authority Executive Director stated a division manager retired last year and the position has not been filled; duties and responsibilities have been shifted to administration and operations.

Vice Mayor deHaan stated that he wants to see consolidating and streamlining; he needs to see more.

The Interim City Manager stated the reorganization is the beginning of centralization; staff has a clear understanding of streamlining; unit consolidation would result through

succession planning; other alternatives are available to make things more efficient.

Councilmember Matarrese stated consolidating the housing effort in a single department is good because duplication is avoided and a leaner organization provides efficiency; having the elected body closely answerable to the performance of the group puts him in favor of keeping the current structure or the Housing Authority could become a department of the City as long as Council has the oversight role; the Housing Authority is an excellent product.

The Interim City Manager stated other models are available in terms of delegated responsibilities versus Council's oversight of money; the public and developers would go to one place for all financing options.

(10-207) Park Master Plan – Request for Proposals Scope of Services

The Interim City Manager gave a brief presentation.

Mayor Johnson inquired whether the Park Master Plan would include joint use of facilities such as pools, to which the Interim City Manager responded in the affirmative.

Councilmember Matarrese stated a detailed scope of work should be highlighted for potential parks such as the land acquired by the City next to Towata Park, the Estuary Park by the Fox/Collins/Dutra property, and Beltline property.

Councilmember Gilmore stated the Grand Street Fire Station is not serviceable; Council allocated \$400,000 for a study for a new fire house; the feasibility of building a Fire Station and Emergency Operation Center on the Beltline property should be studied; having classrooms at the new fire station should be reviewed; classrooms could be shared with the Police Department and could be opened up to the public; not having to purchase land for a new fire station would be a huge savings.

Vice Mayor deHaan stated considering the Beltline property as a potential site for a fire station should be addressed separately; Council has requested the City Attorney and Interim City Manager to advise what has been gained by winning the lawsuit; opportunities should be scoped out for passive parks.

Councilmember Matarrese stated that he would like to have the \$400,000 spent on evaluating a new fire station; a vacant building near Alameda Municipal Power is big enough for a fire station; Mount Trashmore [the former waste disposal site] should be considered as a future park.

Councilmember Gilmore stated that she does not mean that she wants to spend money allocated for the Park Master Plan on a fire station study; she does not want to get so far down in scoping the Beltline property that a fire station would not be considered if other parcels do not work out.

Mayor Johnson stated fire service master planning services should be separate.

Councilmember Gilmore stated master planning the park could plan away the land [for the fire station].

The Interim City Manager stated the fire station is an easy cut out.

Councilmember Matarrese stated people voted to do something with the Beltline property through a ballot initiative; the Beltline property is not just the yard; the total acreage is quite large.

Councilmember Tam stated reviewing the inventory of open park space publicly accessible per resident is important; the proposed East Bay Regional Park District Bay Trail should be included in the whole visioning and planning process in order to understand the best use of various lands; asset management should be reviewed also.

The Interim City Manager stated asset management policy and implementation would be discussed thoroughly; every possible asset will be reviewed.

Mayor Johnson stated existing Bay trails should be included.

The Park and Recreation Director stated adjacent amenities would be included, such as College and School District amenities.

Mayor Johnson inquired whether current Bay Trails would be assessed, to which the Interim City Manager responded in the affirmative.

Mayor Johnson stated Bay Trail accessibility should be reviewed in addition to finding a way to make getting to the trails more accessible to the public.

The Interim City Manager stated accessibility to the shoreline needs to be reviewed.

Mayor Johnson stated the shoreline has public access points, which are not very accessible; ensuring that access points are publicly available is important.

Vice Mayor deHaan stated the Mount Trashmore site would be available in the next couple of years; that he wants trees planted on the right side going west on Appezzato Parkway.

REGULAR AGENDA ITEMS

(10-208) Public Hearing to Consider Adding Subsection 30-5.15 to the Alameda Municipal Code to Prohibit the Operation of Medical Marijuana Dispensaries in the City of Alameda. Introduced.

The Planning Services Manager gave a brief presentation.

Councilmember Matarrese requested an explanation of the Planning Board's consideration of having limited locations; inquired whether extending the moratorium is an option.

The Planning Services Manager stated the Planning Board thought that potential locations would be worth exploring; specific locations were not identified; under State law, cities can adopt moratoriums for a maximum of two years; the current moratorium ends in June; Council could extend the moratorium to November.

Councilmember Gilmore inquired how much staff time would be needed, what the cost would be, and what would not get done if Council gave direction to have staff review the matter.

The Planning Services Manager responded drafting the ordinance would not take a lot of time; stated staff would look at other ordinances as models; immediate, negative responses would be received once potential locations were made public; four to six Planning Board hearings would be needed; Community Development has four and a quarter employees; everything is backed up; high priorities would be slowed down; nobody wants locations next door; Oakland's dispensary across the Park Street Bridge is a major operation; parking is tremendous.

Councilmember Gilmore inquired whether money is budgeted for the operation.

The Planning Services Manager responded the effort is completely unfunded; stated staff would need to come back with a budget amendment.

Councilmember Tam inquired where is the Oakland dispensary, to which the Planning Services Manager responded across the Park Street Bridge off the 16th Street exit by Motel 6.

Councilmember Tam inquired whether Alamedans go to the Oakland dispensary.

The Planning Services Manager responded that he does not know; stated that he would recommend the dispensary if someone is qualified and has the appropriate doctor's recommendation; the dispensary is very professional.

Councilmember Tam stated Alameda Hospital's pain management center is the ideal location in Alameda; however, Alameda Hospital would lose Medicare payments because marijuana is a federally banned substance; inquired who, within the City, should be in charge of a dispensary.

The Planning Services Manager responded staff has been asked why a medical marijuana dispensary could not be located at a pharmacy or hospital; stated there is an issue between State and federal law; the City would not regulate how a hospital dispenses legal drugs.

Councilmember Tam stated a November 2010 measure would control, regulate, and allow cities to tax cannabis facilities to generate revenue; the context of having the ban in place should be reviewed after there is a better understanding of what the law would afford the City to do.

The Planning Services Manager stated that he does not think the current definition of a medical marijuana facility includes Alameda Hospital, federal and State law changes make it feasible for Alameda Hospital to provide medical marijuana; an adjustment to the definition would be simple.

Vice Mayor deHaan stated having cannabis clubs developing into the cultivation process is a good point; traffic would be impacted; putting a placeholder on the matter is the right direction.

The Police Chief stated that he strongly supports the ordinance as written; the ordinance is the best that he has seen in the area; the California Chiefs have taken a strong stance on the proliferation of marijuana dispensaries; decisions should be made on the basis of science and anecdotal evidence of other cities and associated, ancillary issues; dispensaries are prohibited by law; studies have indicated that those who have the need for the drug under the Compassionate Use Act are less than 5%; in the late 1970's through early 1990's, Alaska saw significant decline in a person's ability to learn, process information, and motor coordination; in 2007, approximately 110,000 people sought treatment for marijuana dependence; Chiefs throughout the state have noted that crime increases in areas impacted by dispensaries; driving under the influence is a major incident; 8,000 fatal accidents were reported in 2008, burglaries and robberies increase; street dealers sell to juveniles; loitering and nuisance complaints increase; trading for other drugs or sex occurs; the potential for taxation would not cover the costs associated to society; the tobacco industry brings in approximately \$1 billion in revenue; health costs associated with the tobacco industry are approximately \$200 billion; alcohol brings in approximately \$9 billion in revenue; the cost to society is approximately \$185 billion; the black market associated with illicit drug trade would not be reduced from the proliferation of dispensaries.

Mayor Johnson opening the public portion of the hearing.

Proponents (In Favor of Ordinance): Robb Ratto, Park Street Business Association.

There being no further speakers, Mayor Johnson closed the public portion of the hearing.

Mayor Johnson stated generally, dispensaries do not operate in compliance with the law; inquired whether the intent of the initiative is to allow co-ops to grow marijuana for exchange.

The Assistant City Attorney responded in the affirmative; stated State law does not use

terms such as “over the counter sales” or “medical marijuana dispensaries”; stated the intent is give people in possession of marijuana defense by having a medical marijuana card; having money change hands for profit is not the intent; over the counter sales has very little connection between the person growing marijuana and the person accepting the marijuana; the situation does not include a primary care giver and most likely would be profitable; the dispensary across the bridge is set up to be a holistic approach to avoid prosecution.

Mayor Johnson inquired how much revenue was generated in Alameda.

The Assistant City Attorney responded the Finance Department has records required for business license purposes; stated information is confidential and cannot be released without an owner’s authorization.

Mayor Johnson inquired what type of reporting is required, to which the Assistant City Attorney stated the State Board of Equalization receives revenue figures.

The Planning Services Manager stated the Oakland dispensary brings in millions of dollars.

The Assistant City Attorney stated that the Oakland dispensary has one customer every five minutes.

Mayor Johnson stated dispensaries are not co-ops but are big business.

Councilmember Matarrese stated changes will be seen at some point; the ordinance should be adopted for three reasons: 1) the City should not establish businesses that are illegal under federal law or cannot comply with State law; the appropriate place to dispense the drug is in a hospital or pharmacy; 2) locations is an issue; nobody wants a dispensary next door; and 3) the cost of crafting something at this juncture is not appropriate; the City has more important things to address.

Councilmember Matarrese moved introduction of the ordinance.

Vice Mayor deHaan seconded the motion.

Under discussion, Vice Mayor deHaan stated the Webster Street business falsely represented itself to the City.

On the call for the question, the motion carried by unanimous voice vote – 5.

(10-209) Public Hearing to Consider Adoption of the Community Development Block Grant Fiscal Year 2010-2014 Five-Year Strategic Plan and the Fiscal Year 2010-2011 Action Plan, and Authorize the Interim City Manager to Negotiate and Execute Related Documents, Agreements, and Modifications.

The Community Development Program Manager gave a brief presentation.

Mayor Johnson opened the public portion of the hearing.

Proponents (In Favor of Staff Recommendation): Doug Biggs, Social Service Human Relations Board (SSHRB); Reginald James, SSHRB; Franklin Hysten, Alternatives in Action, provided a handout; Virginia McBride, Alternatives in Action/HOME Project; Liz Varela, Building Futures with Women and Children; Marjorie Rocha, ECHO Housing; Paul Russell, Alameda Food Bank; and Erin Scott, Family Violence Law Center.

There being no further speakers, Mayor Johnson closed the public portion of the hearing.

Mayor Johnson thanked the organizations, SSHRB, and staff for all the hard work.

Councilmember Matarrese moved approval of the staff recommendation.

Councilmember Matarrese thanked everyone for doing such a good job; stated the allocation is bigger this year but the need far exceeds the allocation.

Councilmember Tam seconded the motion, which carried by unanimous voice vote – 5.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(10-210) Councilmember Gilmore stated that she attended the Association of Bay Area Governments (ABAG) general meeting on April 22nd; the meeting addressed environmental land use, stopping urban sprawl, and developing communities in environmentally sensitive ways; provided packet to the City Clerk.

ADJOURNMENT

There being no further business, Mayor Johnson adjourned the meeting at 10:45 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -MAY 4, 2010- -6:00 P.M.

Mayor Johnson convened the meeting at 6: 10 p.m.

Roll Call – Present: Councilmembers deHaan, Gilmore, Matarrese, Tam and Mayor Johnson – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(10-185) Conference with Legal Counsel – Anticipated Litigation; Significant Exposure to Litigation Pursuant to Subdivision (b) of Section 54956.9; Number of Cases: One.

(10-186) Conference with Labor Negotiators; Agency Negotiators: Interim City Manager; Employee Organization: Executive Management.

Following the Closed Session, the meeting was reconvened and Mayor Johnson announced that regarding Anticipated Litigation, the Council received a briefing and provided direction regarding the litigation; and regarding Labor, the Council received a briefing on Executive Management employee terms and provided direction to the Interim City Manager.

There being no further business, Mayor Johnson adjourned the meeting at 7:10 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

MINUTES OF THE SPECIAL JOINT CITY COUNCIL,
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY (ARRA)
AND COMMUNITY IMPROVEMENT COMMISSION (CIC) MEETING
TUESDAY- -MAY 4, 2010- -7:01 P.M.

Mayor/Chair Johnson convened the meeting at 10:46 p.m.

ROLL CALL - Present: Councilmembers / Board Members / Commissioners deHaan, Gilmore, Matarrese, Tam and Mayor/Chair Johnson – 5.

Absent: None.

CONSENT CALENDAR

Councilmember/Board Member/Commissioner Matarrese moved approval of the Consent Calendar.

Councilmember/Board Member/Commissioner Gilmore seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number]

(*10-211 CC/ARRA/10-25 CIC) Minutes of the Special Joint City Council, ARRA and CIC Meeting Held on April 20, 2010. Approved.

(*ARRA) Approve a Waiver of License Fees for Driver's Edge. Accepted.

CITY MANAGER/EXECUTIVE DIRECTOR COMMUNICATION

(*10-212 CC/ARRA/10-26 CIC) Semimonthly Update on SunCal Negotiations

The Deputy City Manager – Economic Development provided a handout and gave a brief presentation.

Councilmember/Board Member/Commissioner Matarrese inquired whether the public trust exchange includes the tidelands, to which the Deputy City Manager – Economic Development responded in the affirmative and continued the presentation.

In response to Councilmember/Board Member/Commissioner Matarrese's inquiry about whether costs are too low and there is an assumption that there will be a lot of public money available to make the project work, the Deputy City Manager – Economic Development stated staff believes that some of SunCal's market assumptions are very aggressive.

Councilmember/Board Member/Commissioner Matarrese stated assumptions are optimistic and overestimated.

The Deputy City Manager – Economic Development stated staff has questions regarding whether or not there is enough contingency; the bus rapid transit was based on an rough per mile estimate in Oregon; SunCal would provide additional back up information for review; continued the presentation; read the following email response from SunCal regarding special election costs: “In response to the letter from Ann Marie Gallant dated April 20, 2010 regarding special election costs, SunCal agrees to include in the Development and Disposition Agreement (DDA) executed by the Community Improvement Commission (CIC) and SunCal a provision that SunCal will reimburse the City for the cost of the election and such payment will be treated as an approved predevelopment cost”.

Mayor/Chair Johnson inquired whether Development Agreement (DA) discussions have involved restructuring of concepts given the state of redevelopment funds.

The Deputy City Manager – Economic Development responded SunCal has agreed to remove provisions in the DA that requires 100% commitment of the City’s redevelopment fund; stated staff has requested SunCal to review what happens to the project pro forma when tax increment funds are eliminated; staff is having on-going public financing discussions.

Councilmember/Board Member/Commissioner Tam inquired whether mitigation fees are charged on top of having the developer build schools, parks, and other public amenities.

The Deputy City Manager – Economic Development responded school fees are State fees and are separate; stated the concept is that SunCal would pay all school impact fees; staff has performed a very detailed analysis of all improvements proposed by SunCal and has provided credits regarding the dwelling unit tax, which is a fee for park improvements; there are \$13 million in Citywide development fee credits; fees are not being duplicated.

In response to Councilmember/Board Member/Commissioner Tam’s inquiry, the Deputy City Manager – Economic Development stated staff is concerned about which project the community and Council/ARRA/CIC would want; staff has received feedback from SunCal stating that there is a commitment to build the density bonus option; progress has been made.

Vice Mayor/Board Member/Commissioner deHaan inquired whether SunCal has submitted a density bonus application, to which The Deputy City Manager – Economic Development responded in the negative.

Vice Mayor/Board Member/Commissioner deHaan inquired whether a density bonus

application is anticipated [in the near future].

The Deputy City Manager – Economic Development responded in the negative; stated provisions in the application require very detailed information that does not correspond to the planning effort and would require too much time and expense to finalize at this time.

Vice Mayor/Board Member/Commissioner deHaan stated the face value of Measure B and the density bonus option look very much the same.

Mayor/Chair Johnson inquired whether the \$22 million for schools has been discussed with the School District, to which the Deputy City Manager – Economic Development responded SunCal has reached out to the School District but has not had any subsequent meetings.

Mayor/Chair Johnson stated the School District has advised her that SunCal has reached out but has not done anything else.

The Interim City Manager stated the pro forma negotiations just include the impact fee number and do not include the larger number for capital; staff is just starting to get into more detailed numbers.

The Deputy City Manager – Economic Development stated the number has not been approved or confirmed by the School District.

Mayor/Chair Johnson stated everything needs to pencil out at the end of the process.

In response to Mayor Johnson's inquiry, the Deputy City Manager – Economic Development stated economic advisors are reviewing all market and cost assumptions to ensure that numbers are realistic.

Mayor/Chair Johnson inquired how staff is making up for the elimination of public financing and redevelopment funds.

The Deputy City Manager – Economic Development responded the Internal Rate of Return [IRR] decreases significantly when public financing is taken out of the project.

Mayor/Chair Johnson stated a large part of the discussion should involve what changes need to be made.

The Deputy City Manager – Economic Development stated the on going negotiations involve starting to have said very serious conversations.

Councilmember/Board Member/Commissioner Gilmore stated it does not appear that

SunCal will provide a density bonus application at this point; inquired whether a density bonus application is needed to move forward with an Environmental Impact Report (EIR).

The Deputy City Manager – Economic Development responded a foreseeable project needs to be studied under the California Environmental Quality Act (CEQA); stated the density bonus option needs to be studied as well as the base project, especially since SunCal submitted a letter on April 13th advising the City that the density bonus option is requested.

Councilmember/Board Member/Commissioner Gilmore inquired when a density bonus application would normally be submitted, to which the Deputy City Manager – Economic Development responded at the same time as a base project.

The Planning Services Manager stated the City's ordinance is designed for a smaller project; both SunCal and the City are concerned about approving a 3,500 unit project and then having random density bonus applications pop up in the next twenty years in different locations at Alameda Point; SunCal would like to find a way to put forth some type of master density bonus application that would control where the density bonus would and would not be allowed.

Mayor/Chair Johnson requested comments from Stan Brown with SunCal.

Mr. Brown stated the struggle has been how to craft an application that would achieve a transit oriented plan suited for Alameda Point; SunCal came up with a Measure A compliant plan in addition to a density bonus option; SunCal could not call the application a density bonus application because the City has detailed requirements; SunCal has had some good, candid discussions with staff over the last couple of weeks regarding where densities would be, how densities would be laid out, and the criteria needed to implement individual buildings into building clusters.

Vice Mayor/Board Member/Commissioner deHaan stated that he is baffled by the generalities; things seem open ended; inquired whether SunCal is comfortable with the base plan.

Mr. Brown responded that he thinks the base plan is a viable application; stated the goal at the end of the approval process would be to have a density bonus plan approved for implementation; the base plan would need to be approved first; the next item would be to approve a density bonus plan; SunCal wants to build a density bonus plan; that he is more than happy to discuss a better way to thread the needle.

Mayor/Chair Johnson requested Mr. Brown to describe some of the components of the transit-oriented plan; inquired whether SunCal has a transportation plan.

Mr. Brown responded SunCal has a meeting tomorrow with the traffic engineer and planners; stated the proposal is to provide a new ferry location at the center of the community to provide additional transit services both inside and outside of Alameda; that he does not have the full scope at this time.

Vice Mayor/Board Member/Commissioner deHaan inquired what is Mr. Brown's position with SunCal.

Mr. Brown responded that he has been with SunCal for twelve years; stated his title is Regional President; that he is responsible for the entitlement, development, and construction of a large number of various master plan communities; that he has supervised thirty or forty projects.

Vice Mayor/Board Member/Commissioner deHaan stated that he is concerned that SunCal is pursuing something similar to Measure B.

Mr. Brown stated SunCal does large, complicated projects; that he has been added to the team to help augment SunCal's professional staff.

Vice Mayor/Board Member/Commissioner deHaan requested that Mr. Brown describe SunCal's team.

Mr. Brown stated Nick Costas is a Planner; Amy Freilich is a Land Use Attorney and has been heavily involved in large scale entitlement projects; that his background is in engineering and law and he has been in the business for over thirty years; Frank Faye is the Chief Operating Officer; David Soyca is part of the team; Dale Strickland and Tri Chan are Underwriters.

Vice Mayor/Board Member/Commissioner deHaan inquired whether the team is spending one hundred percent of their time on the project except for Ms. Freilich and Mr. Faye.

Mr. Brown responded everyone works on multiple projects; stated no one is fully devoted to one project except for Mr. Costas.

Mayor/Chair Johnson inquired who is working on transportation planning, to which Mr. Brown responded that he does not know.

Mayor/Chair Johnson requested that information be provided; stated people are very concerned about the transportation plan.

The Deputy City Manager – Economic Development stated Jim Daisa with Kimley-Horn is working on transportation planning.

Mayor/Chair Johnson inquired whether Mr. Daisa is working on a transportation plan.

The Deputy City Manager – Economic Development responded not that she is aware of; stated Kimley-Horn has worked with SunCal to develop the chapters in the Master Plan.

Mayor/Chair Johnson inquired how the plan can be called transit oriented when there has not been a lot of transportation planning yet.

Mr. Brown responded a land plan is designed first; Peter Calthorpe, Calthorpe Associates, brings a higher level of design sensibility on how a community functions; blocks are designed with a scale of walk ability and transportation connections; home density surrounding the infrastructure encourages people to use facilities and not get into a car first.

Mayor/Chair Johnson stated a high unit count project is not a transit-oriented development; having enhanced public transit access does not make a plan transit oriented.

Mr. Brown stated the challenge is to ensure the reality of what will be delivered and that the community is comfortable that the vision has mechanisms in place.

Mayor/Chair Johnson stated many questions have not been answered yet; the community keeps hearing that answers will come; people are anxious to get answers to questions.

Mr. Brown stated the challenge is to convince decision makers that the plan is one that meets expectations and quality standards and solves mitigation problems.

Mayor/Chair Johnson stated transit planning should not be just a reaction to mitigation issues identified in the EIR.

Mr. Brown stated the process is an iterative process; traffic impacts are determined; volumes need to be understood.

Mayor/Chair Johnson stated a transit oriented plan should be proactive rather than reactive to an EIR.

Councilmember/Board Member/Commissioner Matarrese stated that Mr. Brown stated the base plan is a viable plan, but the intent is to build a density bonus plan; inquired whether the base plan is viable as a base plan to push off of to get to the density bonus plan.

Mr. Brown responded that the base plan could be built but does not achieve some of SunCal's goals of creating the nexus to have success with a transit oriented

development and does not provide a larger variety of home opportunities for different lifestyles.

Councilmember/Board Member/Commissioner Matarrese stated in 2007, the idea was to plug SunCal into the Preliminary Design Concept (PDC) which includes a certain number of residential units; [the number of] units increased; inquired whether the numbers are driven by financials first, to which Mr. Brown responded said statement is fair.

Councilmember/Board Member/Commissioner Matarrese stated a financial balance is trying to be struck; 4,000 units are not for the sake of getting transit but are for financial return; that he would like some counter to staff's comments regarding revenue being overstated; real numbers need to be provided regarding a unreliable public financing stream via redevelopment funds; the next meeting should include a reminder of the milestones and explain where negotiations should be in terms of the milestones.

Vice Mayor/Board Member/Commissioner deHaan stated that he does not doubt that the process is being driven by economics; inquired whether the PDC has been revisited, to which Mr. Brown responded that he has only seen the general write-ups.

Councilmember/Board Member/Commissioner Tam stated sixteen years of work has been done by various groups, consultants, and community meetings; economics and density drive the project; density has a play into ridership; ridership determines whether transit is viable or not; discussions have involved having amenities on the island to reduce vehicle trips off the island; the City does not want sales tax revenue to go off the island; a transit oriented development provides public and private amenities; Harbor Bay can barely get 40% fare box return on the ferry because of insufficient ridership.

Councilmember/Board Member/Commissioner Matarrese stated the commercial aspect would be further studied; that he hopes the commercial aspect would include job replacement and not just involve retail; jobs were eliminated when the Base closed.

Mr. Brown stated the design process is to look at demand and needs and not build more than demand; at the end of the day, a comprehensive, complete plan would be presented and would contain all required elements.

Mayor/Chair Johnson stated having a transit oriented plan is so critical; the tube is the only on and off access for two-thirds of the island.

(10-213 CC/ARRA/10-27 CIC) Escrow Account

The Deputy City Manager – Economic Development gave a brief presentation.

In response to Mayor/Chair Johnson's inquiry about whether SunCal will be asking for

all funds, the Deputy City Manager – Economic Development stated not necessarily; staff has requested SunCal to provide a statement of predevelopment expenses; part of the pro forma negotiations include what predevelopment costs have been put into the pro forma as eligible predevelopment expenses; typically, [developers] seek a return on expenditures.

Mayor/Chair Johnson inquired whether the pro forma should include all known numbers.

The Deputy City Manager – Economic Development responded the pro forma includes predevelopment expenditures; stated staff needs to determine whether the number is correct.

Mayor/Chair Johnson inquired what is the [predevelopment expenditure] figure, to which the Interim City Manager/Executive Director responded \$9 million.

Mayor/Chair Johnson stated getting a breakdown should not be a problem.

The Deputy City Manager – Economic Development stated staff would request said information from SunCal on Thursday.

Mayor/Chair Johnson stated the timeline is short; staff should not spend time on the issue; that she hopes SunCal provides said information; the issue is administrative.

The Interim City Manager/Executive Director stated the pro forma includes \$9 million for predevelopment costs which covers staff costs, the escrow account, and other items expended for the ballot initiative; staff is just starting to get into the detailed pro forma; the previous pro forma was based on the Measure B project; numbers are driven by the type of project; the key is to have the numbers be more than the budgeting numbers and start cutting numbers down to the detail to get to a point that the IRR makes sense.

Vice Mayor/Board Member/Commissioner deHaan inquired whether predevelopment costs have been received.

The Interim City Manager/Executive Director responded in the negative; stated that staff is still waiting for the escrow account and staff costs to date.

The Deputy City Manager – Economic Development stated the total current costs [for which documentation has been submitted] are \$5.5 million.

The Interim City Manager/Executive Director stated costs are off by \$4 million.

Mayor/Chair Johnson stated the issue should be handled and staff needs to get onto other things; progressing at a rapid pace is important.

Councilmember/Board Member/Commissioner Matarrese inquired whether SunCal can make a commitment [on numbers].

Mr. Brown responded that he will meet with staff tomorrow; stated an answer should be provided by Thursday or shortly thereafter; that he suspects the number will not total \$9 million.

(10-214 CC/ARRA/10-28 CIC) Staff Reimbursement Account

The Deputy City Manager – Economic Development gave a brief presentation.

(10-215 CC/ARRA/10-29 CIC) May 10th Project Scoping Meeting – Planning Board

The Deputy City Manager – Economic Development gave a brief presentation.

AGENDA ITEMS

(10-216 CC/ARRA/10-30 CIC) Recommendation to Accept the Third Quarter Financial Report. Continued to May 18, 2010.

ORAL REPORTS

(ARRA) Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative - Highlights of April 1 Alameda Point RAB Meeting

Member Matarrese stated the Board could read the summary from Peter Russell since he did not attend the meeting; RAB and ARRA meetings would be held on Thursday.

ARRA BOARD COMMUNICATIONS

(ARRA) The Interim Executive Director stated the California Redevelopment Association (CRA) received a less than favorable ruling; the City would be cutting a very large check in the amount of \$4.4 million; the check is due to the County on Monday.

Chair Johnson stated a copy of the check should be provided to the newspaper in addition to a press release.

Board Member Gilmore stated a nasty letter should be sent along with the check.

Board Member deHaan requested that staff research whether the redevelopment money [taken by the State] would go to the schools.

The Interim Executive Director stated the total amount of redevelopment funds [from all cities] is barely \$5 billion out of a \$20 billion to \$24 billion [State] deficit.

ADJOURNMENT

There being no further business, Mayor/Chair Johnson adjourned the meeting at 11:54 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, CIC

The agenda for this meeting was posted in accordance with the Brown Act.